

Michael E. Welsh (Massachusetts Bar No. 693537)
welshmi@sec.gov
Casey R. Fronk (Illinois Bar No. 6296535)
fronckc@sec.gov
Attorneys for Plaintiff
Securities and Exchange Commission
351 South West Temple, Suite 6.100
Salt Lake City, Utah 84101
Tel: (801) 524-5796

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

GREEN UNITED, LLC, a Utah limited
liability company; WRIGHT W.
THURSTON, an individual; and
KRISTOFFER A. KROHN, an individual,

Defendants,

TRUE NORTH UNITED INVESTMENTS,
LLC, a Utah limited liability company; and
BLOCK BROTHERS, LLC, a Utah limited
liability company;

Relief Defendants.

**PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S
NOTICE OF SUPPLEMENTAL
AUTHORITY**

Case No. 2:23-cv-00159-BSJ

Judge Bruce S. Jenkins

Plaintiff Securities and Exchange Commission ("SEC"), pursuant to DUCivR 7-1(c), hereby submit this Notice of Supplemental Authority relevant to its Oppositions to the Motions to Dismiss filed by Defendants Green United, LLC and Kristoffer A. Krohn, and Relief Defendants True North Investments, LLC and Block Brothers, LLC. (Dkt. Nos. 38, 39).

On July 31, 2023, a Southern District of New York court issued an opinion denying

defendant's motion to dismiss the SEC's complaint. *SEC v. Terraform Labs Pte. Ltd.*, No. 23-CV-1346 (JSR), 2023 WL 4858299 (S.D.N.Y. July 31, 2023) (attached as Exhibit 1). The court in *Terraform Labs* held that the SEC's complaint adequately alleged defendants violated, *inter alia*, Sections 5 and 17(a)(1) of Securities Exchange Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") in connection with defendants' offer and sale of certain crypto assets. In doing so, the court rejected defendants' arguments that the "Major Questions Doctrine" and the Due Process Clause "prevent the SEC from alleging the company's digital assets to be 'investment contracts.'" *Terraform Labs*, 2023 WL 4858299 at 7; *see also id.* at *9, *10 ("Defendants cannot wield a doctrine intended to be applied in exceptional circumstances as a tool to disrupt the routine work that Congress expected the SEC and other administrative agencies to perform.").

Accordingly, *Terraform Labs* is relevant to this matter because it provides additional authority for rejecting Defendants' "Major Questions Doctrine" and fair notice defenses.

Dated: August 4, 2023

/s/ Michael E. Welsh
Michael E. Welsh
Casey R. Fronk
*Attorneys for Plaintiff
Securities and Exchange Commission*

CERTIFICATE OF SERVICE

On this 4th day of August 2023, I hereby certify that I electronically filed a true and correct copy of the foregoing with the Clerk of the Court using the CM/ECF system, which sent notification and service to all counsel of record.

/s/ Michael E. Welsh